

OREGON WATER RESOURCES MANAGEMENT ACT OF 2006

SEPTEMBER 6, 2006.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. POMBO, from the Committee on Resources,
submitted the following

R E P O R T

[To accompany H.R. 5079]

[Including cost estimate of the Congressional Budget Office]

The Committee on Resources, to whom was referred the bill (H.R. 5079) to provide for the modification of an amendatory repayment contract between the Secretary of the Interior and the North Unit Irrigation District, and for other purposes, having considered the same, report favorably thereon with amendment and recommend that the bill as amended do pass.

The amendments are as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Oregon Water Resources Management Act of 2006”.

SEC. 2. EXTENSION OF PARTICIPATION OF BUREAU OF RECLAMATION IN DESCHUTES RIVER CONSERVANCY.

Section 301 of the Oregon Resource Conservation Act of 1996 (division B of Public Law 104–208; 110 Stat. 3009–534) is amended—

(1) in subsection (a)(1), by striking “Deschutes River Basin Working Group” and inserting “Deschutes River Conservancy Working Group”;

(2) by amending the text of subsection (a)(1)(B) to read as follows: “4 representatives of private interests including two from irrigated agriculture who actively farm more than 100 acres of irrigated land and are not irrigation district managers and two from the environmental community;”;

(3) in subsection (b)(3), by inserting before the final period the following: “, and up to a total amount of \$2,000,000 during each of fiscal years 2006 through 2015”; and

(4) in subsection (h), by inserting before the period at the end the following: “, and \$2,000,000 for each of fiscal years 2006 through 2015”.

SEC. 3. WALLOWA LAKE DAM REHABILITATION ACT.

(a) DEFINITIONS.—In this section, the following definitions apply:

(1) ASSOCIATED DITCH COMPANIES, INCORPORATED.—The term “Associated Ditch Companies, Incorporated” means the nonprofit corporation established under the laws of the State of Oregon that operates Wallowa Lake Dam.

(2) SECRETARY.—The term “Secretary” means the Secretary of the Interior, acting through the Commissioner of Reclamation.

(3) WALLOWA LAKE DAM REHABILITATION PROGRAM.—The term “Wallowa Lake Dam Rehabilitation Program” means the program for the rehabilitation of the Wallowa Lake Dam in Oregon, as contained in the engineering document titled, “Phase I Dam Assessment and Preliminary Engineering Design”, dated December 2002, and on file with the Bureau of Reclamation.

(b) AUTHORIZATION TO PARTICIPATE IN PROGRAM.—

(1) GRANTS AND COOPERATIVE AGREEMENTS.—The Secretary may provide grants to, or enter into cooperative or other agreements with, tribal, State, and local governmental entities and the Associated Ditch Companies, Incorporated, to plan, design, and construct facilities needed to implement the Wallowa Lake Dam Rehabilitation Program.

(2) CONDITIONS.—As a condition of providing funds under paragraph (1), the Secretary shall ensure that—

(A) the Wallowa Lake Dam Rehabilitation Program and activities under this section meet the standards of the dam safety program of the State of Oregon;

(B) the Associated Ditch Companies, Incorporated, agrees to assume liability for any work performed, or supervised, with Federal funds provided to it under this section; and

(C) the United States shall not be liable for damages of any kind arising out of any act, omission, or occurrence relating to a facility rehabilitated or constructed with Federal funds provided under this section, both while and after activities are conducted using Federal funds provided under this section.

(3) COST SHARING.—

(A) IN GENERAL.—The Federal share of the costs of activities authorized under this section shall not exceed 50 percent.

(B) EXCLUSIONS FROM FEDERAL SHARE.—There shall not be credited against the Federal share of such costs—

(i) any expenditure by the Bonneville Power Administration in the Wallowa River watershed; and

(ii) expenditures made by individual agricultural producers in any Federal commodity or conservation program.

(4) COMPLIANCE WITH STATE LAW.—The Secretary, in carrying out this section, shall comply with applicable Oregon State water law.

(5) PROHIBITION ON HOLDING TITLE.—The Federal Government shall not hold title to any facility rehabilitated or constructed under this section.

(6) PROHIBITION ON OPERATION AND MAINTENANCE.—The Federal Government shall not be responsible for the operation and maintenance of any facility constructed or rehabilitated under this section.

(c) RELATIONSHIP TO OTHER LAW.—Activities funded under this section shall not be considered a supplemental or additional benefit under Federal reclamation law (the Act of June 17, 1902 (32 Stat. 388, chapter 1093), and Acts supplemental to and amendatory of that Act (43 U.S.C. 371 et seq.)).

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to pay the Federal share of the costs of activities authorized under this section, \$6,000,000.

(e) SUNSET.—The authority of the Secretary to carry out any provisions of this section shall terminate 10 years after the date of the enactment of this section.

SEC. 4. LITTLE BUTTE/BEAR CREEK SUBBASINS, OREGON, WATER RESOURCE STUDY.

(a) AUTHORIZATION.—The Secretary of the Interior, acting through the Bureau of Reclamation, may participate in the Water for Irrigation, Streams and the Economy Project water management feasibility study and environmental impact statement in accordance with the “Memorandum of Agreement Between City of Medford and Bureau of Reclamation for the Water for Irrigation, Streams, and the Economy Project”, dated July 2, 2004.

(b) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There is authorized to be appropriated to the Bureau of Reclamation \$500,000 to carry out activities under this section.

(2) NON-FEDERAL SHARE.—

(A) IN GENERAL.—The non-Federal share shall be 50 percent of the total costs of the Bureau of Reclamation in carrying out subsection (a).

(B) FORM.—The non-Federal share required under subparagraph (A) may be in the form of any in-kind services that the Secretary of the Interior determines would contribute substantially toward the conduct and completion

of the study and environmental impact statement required under subsection (a).

(c) SUNSET.—The authority of the Secretary to carry out any provisions of this section shall terminate 10 years after the date of the enactment of this section.

SEC. 5. NORTH UNIT IRRIGATION DISTRICT.

(a) SHORT TITLE.—This section may be cited as the “North Unit Irrigation District Act of 2006”.

(b) AMENDMENT.—The Act of August 10, 1954 (68 Stat. 679, chapter 663), is amended—

(1) in the first section—

(A) by inserting “(referred to in this Act as the ‘District’)” after “irrigation district”; and

(B) by inserting “(referred to in this Act as the ‘Contract’)” after “1953”; and

(2) by adding at the end the following:

“SEC. 3. ADDITIONAL TERMS.

“On approval of the District directors and notwithstanding project authorizing legislation to the contrary, the Contract is modified, without further action by the Secretary of the Interior, to include the following modifications:

“(1) In Article 8(a) of the Contract, by deleting ‘a maximum of 50,000’ and inserting ‘approximately 59,000’ after ‘irrigation service’.

“(2) In Article 11(a) of the Contract, by deleting ‘The classified irrigable lands within the project comprise 49,817.75 irrigable acres, of which 35,773.75 acres are in Class A and 14,044.40 in Class B. These lands and the standards upon which the classification was made are described in the document entitled ‘Land Classification, North Unit, Deschutes Project, 1953’ which is on file in the office of the Regional Director, Bureau of Reclamation, Boise, Idaho, and in the office of the District’ and inserting ‘The classified irrigable land within the project comprises 58,902.8 irrigable acres, all of which are authorized to receive irrigation water pursuant to water rights issued by the State of Oregon and have in the past received water pursuant to such State water rights.’.

“(3) In Article 11(c) of the Contract, by deleting ‘, with the approval of the Secretary,’ after ‘District may’, by deleting ‘the 49,817.75 acre maximum limit on the irrigable area is not exceeded’ and inserting ‘irrigation service is provided to no more than approximately 59,000 acres and no amendment to the District boundary is required’ after ‘time so long as’.

“(4) In Article 11(d) of the Contract, by inserting ‘, and may further be used for instream purposes, including fish or wildlife purposes, to the extent that such use is required by Oregon State law in order for the District to engage in, or take advantage of, conserved water projects as authorized by Oregon State law’ after ‘herein provided’.

“(5) By adding at the end of Article 12(d) the following: ‘(e) Notwithstanding the above subsections of this Article or Article 13 below, beginning with the irrigation season immediately following the date of enactment of the North Unit Irrigation District Act of 2006, the annual installment for each year, for the District, under the Contract, on account of the District’s construction charge obligation, shall be a fixed and equal annual amount payable on June 30 the year following the year for which it is applicable, such that the District’s total construction charge obligation shall be completely paid by June 30, 2044.’.

“(6) In Article 14(a) of the Contract, by inserting ‘and for instream purposes, including fish or wildlife purposes, to the extent that such use is required by Oregon State law in order for the District to engage in, or take advantage of, conserved water projects as authorized by Oregon State law,’ after ‘and incidental stock and domestic uses’, by inserting ‘and for instream purposes as described above,’ after ‘irrigation, stock and domestic uses’, and by inserting ‘, including natural flow rights out of the Crooked River held by the District’ after ‘irrigation system’.

“(7) In Article 29(a) of the Contract, by inserting ‘and for instream purposes, including fish or wildlife purposes, to the extent that such use is required by Oregon State law in order for the District to engage in, or take advantage of, conserved water projects as authorized by Oregon State law’ after ‘provided in article 11’.

“(8) In Article 34 of the Contract, by deleting ‘The District, after the election and upon the execution of this contract, shall promptly secure final decree of the proper State court approving and confirming this contract and decreeing and adjudging it to be a lawful, valid, and binding general obligation of the District. The District shall furnish to the United States certified copies of such decrees and of all pertinent supporting records.’ after ‘for that purpose.’.

“SEC. 4. FUTURE AUTHORITY TO RENEGOTIATE.

“The Secretary of the Interior (acting through the Commissioner of Reclamation) may in the future renegotiate with the District such terms of the Contract as the District directors determine to be necessary, only upon the written request of the District directors and the consent of the Commissioner of Reclamation.”.

Amend the title so as to read:

A bill to update the management of Oregon water resources, and for other purposes.

PURPOSE OF THE BILL

The purpose of H.R. 5079, as ordered reported, is to update the management of Oregon water resources, and for other purposes.

BACKGROUND AND NEED FOR LEGISLATION

Originally formed in 1916, the North Unit Irrigation District is one of seven irrigation districts located in central Oregon and provides irrigated water to approximately 59,000 acres of farmland. Of that farmland, the District provides irrigation water to 49,900 acres, associated with the Bureau of Reclamation’s Deschutes Project, while the remaining 9,000 acres are irrigated using water from the privately developed Crooked River diversion.

In 1954, Congress authorized through Public Law 83–573 construction of the Haystack Dam and approved a contract between the Bureau of Reclamation and the District. That contract established, among other things, project costs, repayment terms, operations and maintenance charges, and the maximum allowable acreage that could be irrigated from federal project water. Recent changes in State law have caused the need to amend the contract.

Specifically, Oregon law requires irrigation districts that want to participate in a publicly financed “conserved water project” to dedicate a portion of conserved water to instream flows for fish, wildlife or other purposes. The District would like to consider participation in a publicly financed conservation water project, but the contract terms limit water use from the federal project to irrigation purposes only. The legislation allows the District to comply with State law if it chooses to participate in a conserved water project.

The amended contract language would allow the District to deliver Deschutes Project water to families who are currently irrigating 9,000 acres of land in the District with Crooked River water. All of these lands are within the District’s present boundary, have been irrigated for decades, and have appurtenant water rights issued by the State. Using Deschutes Project water on these lands will allow the District to divert less Crooked River water and leave more water instream. For the District to shift its reliance to Deschutes Project water supplies, it must first conserve the necessary water or secure conserved water from another water district.

The District states that this legislation will enable it to conserve water, to return a portion of the conserved water to the Deschutes River, and ultimately to use less water from the Crooked River, thereby benefitting fish and wildlife. The legislation is specific to the District, and it would not affect any other district in the Deschutes Project, its patrons, or any others in Oregon. The Department of the Interior has formally acknowledged the District’s legal situation, that Congressional authorization is needed, and

that it will work cooperatively with the District in resolving these problems.

As ordered reported, the bill also includes various other water projects affecting the State of Oregon. These are described more specifically below.

COMMITTEE ACTION

H.R. 5079 was introduced on April 4, 2006, by Congressman Greg Walden (R-OR). The bill was referred to the Committee on Resources, and within the Committee to the Subcommittee on Water and Power. On May 10, 2006, the Subcommittee held a hearing on the bill. On June 21, 2006, the Full Resources Committee met to consider the bill. The Subcommittee on Water and Power was discharged from further consideration of the bill by unanimous consent. Congressman George Radanovich (R-CA) offered an amendment in the nature of a substitute to incorporate legislative language from H.R. 5019, S. 166, and S. 251 into H.R. 5079. The amendment was adopted by unanimous consent. The bill, as amended, was then ordered favorably reported to the House of Representatives by unanimous consent.

SECTION-BY-SECTION ANALYSIS

Section 1. Short title

This section cites the short title of the bill as the “Oregon Water Resources Management Act of 2006”.

Section 2. Extension of participation of Bureau of Reclamation in Deschutes River Conservancy

This section amends Section 301 of the Oregon Resource Conservation Act of 1996 (division B of Public Law 104–208). It replaces references to the “Deschutes River Basin Working Group” with the “Deschutes River Conservancy Working Group,” and redesignates the background requirements for two representatives nominated to the Working Group. Finally it increases authorization of appropriations to \$2 million per year, and extends that authorization until fiscal year 2015. This language is taken from S. 166.

Section 3. Wallowa Lake Dam Rehabilitation Act

This section authorizes the Bureau of Reclamation to participate with the Associated Ditch Companies in the planning, design, and construction of facilities needed to implement the Wallowa Lake Dam Rehabilitation Program. The federal share of costs will not exceed 50%, and no funds will be used for facility operations and maintenance. There is authorized to be appropriated \$6 million, and the authority to carry out any provisions of this section shall terminate in 10 years. This language is taken from H.R. 5019.

Section 4. Little Butte/Bear Creek Subbasins, Oregon water resource study

This section authorizes the Bureau of Reclamation to participate, with the City of Medford, Oregon, in the Water for Irrigation, Streams and the Economy Project water management feasibility study. There is authorized to be appropriated \$500,000 to carry out this study and it includes a 50% federal cost share. The authority

to carry out any provisions of this section shall terminate in 10 years. This language is taken from S. 251.

Section 5. North Unit Irrigation District

This section amends a repayment contract (#14-06-W-71), authorized in Public Law 83-573, between the Bureau of Reclamation and the North Unit Irrigation District in Oregon. As amended, it changes the irrigated land available to receive water from the Bureau of Reclamation's Deschutes Project from 50,000 acres to 59,000 acres. It also changes the repayment terms from a variable rate to a fixed rate. Additionally, it authorizes the Secretary of the Interior to renegotiate contract terms upon the written request of the Irrigation District.

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

Regarding clause 2(b)(1) of rule X and clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee on Resources' oversight findings and recommendations are reflected in the body of this report.

CONSTITUTIONAL AUTHORITY STATEMENT

Article I, section 8, clause 3 of the Constitution of the United States grants Congress the authority to enact this bill.

COMPLIANCE WITH HOUSE RULE XIII

1. Cost of Legislation. Clause 3(d)(2) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs which would be incurred in carrying out this bill. However, clause 3(d)(3)(B) of that rule provides that this requirement does not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974.

2. Congressional Budget Act. As required by clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974, this bill does not contain any new budget authority, spending authority, credit authority, or an increase or decrease in revenues or tax expenditures. According to the Congressional Budget Office, enacting this bill will increase offsetting receipts by less than \$100,000 a year.

3. General Performance Goals and Objectives. As required by clause 3(c)(4) of rule XIII, the general performance goal or objective of this bill, as ordered reported, is to update the management of Oregon water resources, and for other purposes.

4. Congressional Budget Office Cost Estimate. Under clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 403 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for this bill from the Director of the Congressional Budget Office:

H.R. 5079—Oregon Water Resources Management Act of 2006

Summary: H.R. 5079 would authorize the appropriation of \$16.5 million over the 2007–2011 period, and another \$8 million over the 2012–2015 period for river restoration and water management

projects in Oregon. Assuming appropriation of the authorized amounts, CBO estimates that implementing H.R. 5079 would cost \$2 million in 2007 and \$14 million over the 2007–2011 period (the remaining funds would be spent after 2011).

The bill also would amend certain provisions of a contract between the Department of the Interior and Oregon’s North Unit Irrigation District. Enacting this section would increase federal collections by less than \$100,000 a year. (Such collections are recorded as offsetting receipts, a credit against direct spending.) Enacting this bill would not affect revenues.

H.R. 5079 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA); the bill would benefit state, local, and tribal governments and any costs to those governments would be incurred voluntarily.

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 5079 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

	By fiscal year, in millions of dollars—				
	2007	2008	2009	2010	2011
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Deschutes River Restoration Projects:					
Authorization Level	2	2	2	2	2
Estimated Outlays	*	1	2	2	2
Wallowa Lake Dam Rehabilitation:					
Estimated Authorization Level	2	2	2	0	0
Estimated Outlays	1	2	2	1	0
Water Management Study:					
Authorization Level	0.5	0	0	0	0
Estimated Outlays	0.5	0	0	0	0
Total Changes:					
Estimated Authorization Level	5	4	4	2	2
Estimated Outlays	2	3	4	3	2

NOTE: * = less than \$500,000.

Basis of estimate

For this estimate, CBO assumes that H.R. 5097 will be enacted near the start of fiscal year 2007 and that amounts specified will be appropriated beginning in 2007. Estimates of outlays are based on historical spending patterns for similar Bureau of Reclamation activities.

Spending subject to appropriation

H.R. 5079 would authorize the appropriation of \$16.5 million over the 2007–2011 period, and an additional \$8 million to be authorized over the 2012–2015 period. Assuming appropriation of the authorized amounts, CBO estimates that implementing H.R. 5079 would cost \$2 million in 2007 and \$14 million over the 2007–2011 period (additional amounts would be spent after 2011). As described below, these amounts would be primarily used for the Bureau of Reclamation restoration and water management activities in Oregon.

Deschutes River Restoration Projects. Section 2 would authorize the appropriation of \$12 million over the 2006–2011 period and \$8 million over the 2012–2015 period for ecosystem projects administered by the bureau in the Deschutes River basin region. Assuming

appropriation of the authorized amounts, CBO estimates that the project would cost \$7 million over the 2007–2011 period, with the remaining funds to be spent after 2011.

Wallowa Lake Dam Rehabilitation. Section 3 would authorize the appropriation of \$6 million for the bureau's share of the cost to participate in the Wallowa Lake Dam rehabilitation. CBO expects that \$2 million would be provided each year over the 2007–2009 period. Appropriation of the authorized amount would result in discretionary spending of \$6 million over the 2007–2011 period.

Water Management Study. Section 4 would authorize the appropriation of \$500,000 to the bureau to participate in a water management study of the Little Butte and Bear Creek watersheds in Medford, Oregon. The study would identify ways to meet future water supply needs and to improve water quality, conservation, and storage measures. Assuming appropriation of the authorized amounts, the study would cost \$500,000 in 2007.

Direct spending

H.R. 5079 would amend the North Unit's Irrigation District repayment contract with the Department of the Interior. Under current law, payments would be completed within the next 35 to 45 years. H.R. 5079 would amend the terms of the district's contract with the department by setting a fixed annual payment, and require the district's total obligation to be paid to the department by 2044. CBO estimates that enacting H.R. 5079 would increase offsetting receipts by less than \$100,000 a year.

Intergovernmental and private-sector impact: H.R. 5079 contains no intergovernmental or private-sector mandates as defined in UMR. Enacting this bill would benefit state, local, and tribal governments by authorizing funds for restoration projects; any costs that they might incur would result from complying with conditions for receiving federal assistance.

Previous CBO estimates: CBO transmitted three cost estimates for bills that include similar provisions to those contained in H.R. 5079. On February 14, 2005, CBO transmitted a cost estimate for S. 231, the Wallowa Lake Dam Rehabilitation and Water Management Act of 2005, as ordered reported by the Senate Committee on Energy and Natural Resources on February 9, 2005. Both S. 231 and H.R. 5079 authorize appropriations for Wallowa Lake Dam rehabilitation, but H.R. 5079 limits the authorization of appropriations to phase I projects. H.R. 5079 would not result in an increase in direct spending by the Bonneville Power Administration as CBO estimated under S. 231.

On October 7, 2005, CBO transmitted a cost estimate for S. 166, the Deschutes River Conservancy Reauthorization Act of 2005, as ordered reported by the Senate Committee on Energy and Natural Resources on September 28, 2005. Both S. 166 and H.R. 5097 would authorize appropriations to restore the Deschutes River basin. The differences in the cost estimates for those provisions are due to different assumed dates of enactment.

On October 7, 2005, CBO transmitted a cost estimate for S. 251, the Little Butte/Bear Creek Subbasins Water Feasibility Act, as ordered reported by the Senate Committee on Energy and Natural Resources on September 28, 2005. Both S. 251 and H.R. 5079

would authorize the appropriation of \$0.5 million for a water management feasibility study.

Estimate prepared by: Federal costs: Julie Middleton; Impact on state, local, and tribal governments: Lisa Ramirez-Branum; Impact on the private sector: Amy Petz.

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

COMPLIANCE WITH PUBLIC LAW 104-4

This bill contains no unfunded mandates.

PREEMPTION OF STATE, LOCAL OR TRIBAL LAW

This bill is not intended to preempt any State, local or tribal law.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

SECTION 301 OF THE OREGON RESOURCE CONSERVATION ACT OF 1996

SEC. 301. DESCHUTES BASIN ECOSYSTEM RESTORATION PROJECTS.

(a) DEFINITIONS.—In this section:

(1) WORKING GROUP.—The term “Working Group” means the [Deschutes River Basin Working Group] *Deschutes River Conservancy Working Group* established before the date of enactment of this title, consisting of members nominated by their represented groups, including:

(A) * * *

(B) [4 representatives of private interests including two each from irrigated agriculture and the environmental community;] *4 representatives of private interests including two from irrigated agriculture who actively farm more than 100 acres of irrigated land and are not irrigation district managers and two from the environmental community;*

* * * * *

(b) IN GENERAL.—

(1) * * *

* * * * *

(3) The Bureau of Reclamation shall pay from funds authorized under subsection (h) of this title up to 50 percent of the cost of performing any project proposed by the Working Group and approved by the Secretary, up to a total amount of \$1,000,000 during each of the fiscal years 1997 through 2001, and up to a total amount of \$2,000,000 during each of fiscal years 2002 through 2006, *and up to a total amount of \$2,000,000 during each of fiscal years 2006 through 2015.*

* * * * *

(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this title \$1,000,000 for each of fiscal years 1997 through 2001 and \$2,000,000 for each of fiscal years 2002 through 2006, and \$2,000,000 for each of fiscal years 2006 through 2015.

ACT OF AUGUST 10, 1954

AN ACT To approve an amendatory repayment contract negotiated with the North Unit irrigation district, to authorize construction of Haystack Reservoir on the Deschutes Federal reclamation project, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the contract with the North Unit irrigation district (*referred to in this Act as the "District"*) in form substantially similar to that approved by the district directors on July 31, 1953 (*referred to in this Act as the "Contract"*), which has been negotiated by the Secretary of the Interior pursuant to section 7, subsection (a), of the Reclamation Project Act of 1939 (53 Stat. 1187, 1192; 43 U.S.C., 1946 edition, sec. 485), is approved and the Secretary of the Interior is authorized to execute it on behalf of the United States.

* * * * *

SEC. 3. ADDITIONAL TERMS.

On approval of the District directors and notwithstanding project authorizing legislation to the contrary, the Contract is modified, without further action by the Secretary of the Interior, to include the following modifications:

(1) *In Article 8(a) of the Contract, by deleting "a maximum of 50,000" and inserting "approximately 59,000" after "irrigation service to".*

(2) *In Article 11(a) of the Contract, by deleting "The classified irrigable lands within the project comprise 49,817.75 irrigable acres, of which 35,773.75 acres are in Class A and 14,044.40 in Class B. These lands and the standards upon which the classification was made are described in the document entitled 'Land Classification, North Unit, Deschutes Project, 1953' which is on file in the office of the Regional Director, Bureau of Reclamation, Boise, Idaho, and in the office of the District" and inserting "The classified irrigable land within the project comprises 58,902.8 irrigable acres, all of which are authorized to receive irrigation water pursuant to water rights issued by the State of Oregon and have in the past received water pursuant to such State water rights."*

(3) *In Article 11(c) of the Contract, by deleting ", with the approval of the Secretary," after "District may", by deleting "the 49,817.75 acre maximum limit on the irrigable area is not exceeded" and inserting "irrigation service is provided to no more than approximately 59,000 acres and no amendment to the District boundary is required" after "time so long as".*

(4) *In Article 11(d) of the Contract, by inserting ", and may further be used for instream purposes, including fish or wildlife purposes, to the extent that such use is required by Oregon State law in order for the District to engage in, or take advan-*

tage of, conserved water projects as authorized by Oregon State law” after “herein provided”.

(5) By adding at the end of Article 12(d) the following: “(e) Notwithstanding the above subsections of this Article or Article 13 below, beginning with the irrigation season immediately following the date of enactment of the North Unit Irrigation District Act of 2006, the annual installment for each year, for the District, under the Contract, on account of the District’s construction charge obligation, shall be a fixed and equal annual amount payable on June 30 the year following the year for which it is applicable, such that the District’s total construction charge obligation shall be completely paid by June 30, 2044.”.

(6) In Article 14(a) of the Contract, by inserting “and for instream purposes, including fish or wildlife purposes, to the extent that such use is required by Oregon State law in order for the District to engage in, or take advantage of, conserved water projects as authorized by Oregon State law,” after “and incidental stock and domestic uses”, by inserting “and for instream purposes as described above,” after “irrigation, stock and domestic uses”, and by inserting “, including natural flow rights out of the Crooked River held by the District” after “irrigation system”.

(7) In Article 29(a) of the Contract, by inserting “and for instream purposes, including fish or wildlife purposes, to the extent that such use is required by Oregon State law in order for the District to engage in, or take advantage of, conserved water projects as authorized by Oregon State law” after “provided in article 11”.

(8) In Article 34 of the Contract, by deleting “The District, after the election and upon the execution of this contract, shall promptly secure final decree of the proper State court approving and confirming this contract and decreeing and adjudging it to be a lawful, valid, and binding general obligation of the District. The District shall furnish to the United States certified copies of such decrees and of all pertinent supporting records.” after “for that purpose.”.

SEC. 4. FUTURE AUTHORITY TO RENEGOTIATE.

The Secretary of the Interior (acting through the Commissioner of Reclamation) may in the future renegotiate with the District such terms of the Contract as the District directors determine to be necessary, only upon the written request of the District directors and the consent of the Commissioner of Reclamation.